

# OFFICE OF ADMINISTRATION

## FINANCIAL SUMMARY

	FY 2002 EXPENDITURE	FY 2003 APPROPRIATION	FY 2004 REQUEST	GOVERNOR RECOMMENDS FY 2004
Commissioner's Office	\$ 49,803,960	\$ 43,704,654	\$ 51,146,974	\$ 50,380,023
Division of Accounting	661,128,199	680,357,957	706,736,269	715,792,944
Division of Budget and Planning	1,859,689	1,830,012	1,830,012	1,823,155
Division of Information Services	8,667,368	8,136,167	8,215,211	7,755,607
Division of Design and Construction	1,645,711	2,061,676	1,956,918	1,960,878
Division of Personnel	3,382,219	3,427,485	3,419,365	3,234,318
Division of Purchasing and Materials Management	5,166,657	5,221,095	5,221,095	5,128,287
Division of Facilities Management	21,704,838	22,102,845	22,422,994	22,602,996
Division of General Services	24,456,011	24,097,589	25,597,589	25,364,769
Assigned Programs	7,466,247	16,040,705	22,432,431	22,846,273
TOTAL	\$ 785,280,899	\$ 806,980,185	\$ 848,978,858	\$ 856,889,250
General Revenue Fund	537,111,294	559,708,048	587,268,264	592,232,979
Federal Funds	135,032,446	127,990,978	139,030,371	140,303,857
Other Funds	113,137,159	119,281,159	122,680,223	124,352,414
Full-time equivalent employees	1,010.19	1,085.24	1,062.24	1,009.18

## POLICY SUMMARY

The Office of Administration is the central state agency responsible for promoting government accountability, effectiveness, and efficiency. For Fiscal Year 2004, the Governor recommends an increase of \$49,909,065 for continued improvement in the use of state resources, employee benefits, and other responsibilities assigned to the Commissioner of Administration.

A weakened economy and considerable growth in mandatory programs like Medicaid has resulted in the most significant challenge the state has faced since the Depression. The Fiscal Year 2004 budget includes substantial core reductions. However, the budget also recognizes that the state cannot cut its way out of the current fiscal problems without severely reducing essential services provided to Missourians. General revenue budget increases have been limited to mandatory programs. Governor Holden's priorities are protecting the state's investment in education and ensuring that our most vulnerable citizens – children, the elderly, and disabled – are shielded to the greatest extent possible from budget reductions.

Following are some performance measures the Office Administration uses to evaluate its leadership in administering state operations:

	2000	2001	2002
Percentage of minority state employees earning in the top quartile	9.34%	9.44%	9.75%
Percentage of non-minority women state employees earning in top quartile	37.93%	38.11%	39.00%
Percentage of state government purchases from minorities	3.66%	5.63%	5.37%
Percentage of state government purchases from women	4.02%	5.24%	3.85%
General Revenue reductions or redirections (millions)	\$167.2	\$153.0	\$208.0

## STATE EMPLOYEE COMPENSATION AND BENEFITS

The state of Missouri competes in the marketplace for qualified, high performing employees. This becomes increasingly difficult when the state faces economic stress and salary increases are kept small or sometimes foregone to achieve budgetary savings that are necessary to maintain other services. Although resources are limited in Fiscal Year 2004, Governor Holden recommends a salary increase for those state employees who make the lowest annual salaries, as well as significant increases for employees' health care and other fringe benefits. Recommendations include:

- A salary increase of \$600 for each employee with an annual salary of not greater than \$40,000 annually.

## OFFICE OF ADMINISTRATION

### POLICY SUMMARY (Continued)

- \$24,571,176 for increased costs to the state for participation in the Missouri Consolidated Health Care Plan, including \$17,179,787 general revenue.
- \$15,675,000 for increased costs to the state for participation in the Missouri State Employees Retirement System, including \$10,160,000 general revenue.
- \$5,496,000 for increased costs to the state for social security benefits, including \$3,840,000 general revenue.
- \$1,450,500 for increased costs to the state for unemployment benefits, including \$628,500 general revenue.
- \$1,000,000 general revenue for increased costs to the state for workers' compensation claims.

### CONTINUED EFFICIENCY OF STATE GOVERNMENT OPERATIONS

#### Flight operations

The Office of Administration/Division of General Services has for many years owned and operated a fleet of airplanes to make more efficient use of travel time by agency personnel and elected officials. One result of the recent budget difficulties is the reduction in flight demand, which has in turn caused an excess capacity in the state aircraft fleet. As part of an effort to reduce costs to the state and streamline the services provided by the Office of Administration, the divisions of General Services and Purchasing will sell three state-owned airplanes (one Cessna Citation Jet and two Piper Navajo Aircraft) and purchase one Beechcraft King Air C-90. This effort will result in a one-time savings of approximately \$1 million general revenue.

#### Office and warehouse space consolidation efforts in Facilities Management-Leasing Division

In recent years, the Division of Facilities Management-Leasing Section has consolidated state agencies where possible to improve space efficiencies. Consolidation of numerous leases into one location reduces duplication of conference rooms, break areas, restrooms, and other common areas. The Division of Facilities Management-Leasing Section is recommending further consolidation, including "hoteling" within existing leased facilities. For example, in many of the offices in rural areas several state agencies rent space for one or two people as well as part-time functions. Where possible, the Division of Facilities Management-Leasing Section will vacate those types of leases and encourage space sharing within larger leased facilities. Also, many agencies currently rent warehouse space for storage of excess furniture and material. There is currently a large-scale effort underway to reduce the amount of leased storage space. Elimination of excess items currently in storage can lead to reductions in warehouse leases, resulting in significant annual savings to the state. The Division of Facilities Management is continuing to look for areas where there is the potential for increased efficiencies in the reduction, consolidation, and sharing of space within leased facilities.

#### Other significant items aimed at increasing the efficiency of operations

- During Fiscal Year 2004, the Division of Personnel will begin a process of reengineering the examination section to improve and streamline the process of establishing an applicant's placement on job rosters.
- Under new Office of Administration Fleet Management, there will be a mandated ten percent reduction in the state's vehicle fleet and restrictions on vehicle usage and purchases.
- The Office of Administration will lead an effort to reduce the state's enormous paper, printing, and storage costs by encouraging agencies to use low-cost alternatives, and by vigorously enforcing existing statutes that specify reporting requirements.
- The Office of Administration will oversee mail and travel restrictions. Through increased reliance on automation and use of the Internet, the goal is to achieve a ten percent reduction in mail volume and reduced travel.

### SMART TECHNOLOGICAL INVESTMENTS

The Office of Administration strives to improve the state's business processes with the implementation of state-of-the-art technology. The Office of Information Technology within the Office of Administration works with a number of federal entities, including the Office of Management and Budget, Department of Justice, Department of Homeland Security, Environmental Protection Agency, and Small Business Administration, each of which offer federal funding opportunities annually for technology programs. The Fiscal Year 2004 budget supports the Office of Information Technology and its ability to secure grant money available at the federal level for the wise investment in technology – investments that will improve the productivity and effectiveness of state agencies, including:

- **E-GOVERNMENT OPERATIONS** - \$8.1 million (includes one staff) to continue the e-government initiative that was originally funded in Fiscal Year 2002. The funding includes the completion of the infrastructure, begins implementation of the business-to-business component, and implements the first phase of agency projects.
- **BUSINESS COMPLIANCE ONE STOP** - \$600,000 to develop a one-stop Internet portal that will allow businesses to conduct all activities associated with starting a new business or maintaining an existing business. This portal will allow the sharing of information between the federal and local governments. The activities are available to the citizen or business 24 hours a day, seven days a week. The state of Missouri has been specifically approached by the federal Small Business Administration to participate in this program.

## OFFICE OF ADMINISTRATION

### POLICY SUMMARY (Continued)

- **COMMERCIAL VEHICLE ONE STOP** - \$600,000 to develop a one-stop Internet portal that will allow those individuals and companies with an interest and a need to obtain various commercial motor vehicle operating permits to conduct all activities associated with obtaining those permits through a single source. This program will also allow the sharing of information between the federal and local governments. The resulting solutions will be available to the citizen or business 24 hours a day, seven days a week.

### HOMELAND SECURITY

States' awareness of security has been heightened and it is necessary that measures be taken to ensure that sound plans are in place to respond to an emergency. It is critical that the infrastructure necessary to maintain the economy is secure and that the confidence of Missouri's citizens is maintained with regard to the state's ability to respond to an emergency. The Office of Administration is part of a statewide effort to enhance the security of the state's most precious assets. The following is recommended in support of this effort:

- **GEOGRAPHIC INFORMATION SYSTEMS** - \$3.7 million (includes three staff) for the Office of Information Technology so that Missouri can participate in a program for the development of a consolidation methodology and identification and adoption of standards to guide the state of Missouri to effectively manage spatial data through a consolidated geographic information system operation. The University of Missouri's Spatial Data Center will be used as a centralized registry for all state spatial data.
- **BUSINESS CONTINUITY** - \$1.8 million for the Office of Information Technology to continue the business continuity program begun in Fiscal Year 2003, which assesses the state's ability to continue to conduct business in catastrophic conditions or severe infrastructure failures. As a result of the assessment, a plan will be developed to provide continued State Data Center operations and the operation of various state agencies to support business operations. A plan will be developed to bring the state to 100 percent preparedness.

### STATE SECURITY OFFICE

- \$214,701 for three staff in the Office of Information Technology to establish a State Information Security Office with responsibility for assessing information security risks and establishing information security and cyber security policies, standards, and strategies. Computer services provided by the state have become an integral business function to all state agencies and the information processed by these systems is now a major asset that must be protected and secured.

## **OFFICE OF ADMINISTRATION**

### **COMMISSIONER'S OFFICE**

The Commissioner directs the one agency that provides central services and support to all other agencies of state government. These services include accounting, budget and planning, information services, building design and construction, leasing operations, facilities management, personnel, purchasing, and general services. The Office of Administration also houses the Office of Information Technology, which directs statewide policy, procedures, and standards for information technology. Also included in the Office of Administration are the Missouri Ethics Commission, the Administrative Hearing Commission, the Children's Trust Fund, and the Children's Services Commission.

#### **Fiscal Year 2004 Governor's Recommendations**

- \$71,322 and one staff transferred from the Division of Design and Construction.
- \$7,711 for pay plan.
- (\$400,862) and (11) staff core reduction from the Fiscal Year 2003 appropriation level.

### **FLOOD CONTROL LANDS GRANT**

The Flood Control Lands Grant is a "pass-through" of funds that represents 75 percent of the monies from leases of the land owned by the United States under the Flood Control Act. Sections 12.080 and 12.090, RSMo, prescribe that the funds be used for the benefit of public schools and public roads of the county in which the government land is situated. These funds may also be used for any expenses of the county government, including public obligations of levee and drainage districts for flood control and drainage improvements.

#### **Fiscal Year 2004 Governor's Recommendations**

Continue funding at the current level.

### **NATIONAL FOREST RESERVE GRANT**

The National Forest Reserve Grant is a "pass-through" of funds which is received from the federal government. Sections 12.070 and 12.090, RSMo, provide for 25 percent of all the money received by the National Forest Reserve by the state to be expended for the benefit of public schools and public roads of the county in which the forest reserve is located. Of the total received, 75 percent will be spent for public schools and 25 percent for public roads.

#### **Fiscal Year 2004 Governor's Recommendations**

Continue funding at the current level.

### **CLARENCE CANNON PAYMENT**

A contract with the U.S. Army Corps of Engineers, developed with the concurrence of the executive and legislative branches, requires that the state pay a share of the cost of water supply storage in Mark Twain Lake on the Salt River in Northeastern Missouri. The contract results from a request by the state for the Corps to build water supply storage into the Clarence Cannon Dam project to meet water needs of that part of Missouri, which has been chronically short of potable water.

#### **Fiscal Year 2004 Governor's Recommendations**

Continue funding at the current level.

## **OFFICE OF ADMINISTRATION**

### **COMMISSIONER'S OFFICE (Continued)**

#### **COUNTY JUVENILE PERSONNEL REIMBURSEMENTS**

The state is required to reimburse specified counties for 25 percent of their juvenile court expenditures.

##### **Fiscal Year 2004 Governor's Recommendations**

Continue funding at the current level.

#### **COMPACT FOR EDUCATION**

The Compact for Education serves as a clearinghouse for information on matters relating to educational issues. The Education Commission of the States consists of seven representatives from each state, of which one member shall be the Governor, two shall be members of the state legislature, and the Governor shall appoint four. The commission fosters research and suggests policies and plans for the improvement of public education as a whole.

##### **Fiscal Year 2004 Governor's Recommendations**

- (\$78,800) core reduction from the Fiscal Year 2003 appropriations level.

#### **COUNTY PROSECUTION REIMBURSEMENTS**

The state may provide reimbursement to counties for expenses incurred in the prosecution of crimes within correctional institutions and expenses of trials of capital cases in limited circumstances.

##### **Fiscal Year 2004 Governor's Recommendations**

Continue funding at the current level.

#### **COSTS IN CRIMINAL CASES**

In accordance with Chapters 550 and 548 and Section 57.290, RSMo, the state pays counties and sheriffs for court costs of indigents in criminal cases and costs of incarceration, transporting prisoners to state prisons, and serving extradition warrants.

##### **Fiscal Year 2004 Governor's Recommendations**

- \$3,696,000 for paying counties the current rate of \$20 per day.

#### **REGIONAL PLANNING COMMISSIONS**

State financial aid enables local governments, through regional planning commissions, to initiate programs and services identified as important by member governments. State funds are matched by local funds.

##### **Fiscal Year 2004 Governor's Recommendations**

- (\$225,000) core reduction from the Fiscal Year 2003 appropriation level, including (\$200,000) general revenue.

## **OFFICE OF ADMINISTRATION**

### **COMMISSIONER'S OFFICE (Continued)**

#### **PUBLIC TELEVISION AND PUBLIC RADIO GRANTS**

Funds are distributed through these grants to Missouri public television and radio stations for assistance in operating costs.

##### **Fiscal Year 2004 Governor's Recommendations**

- (\$95,000) core reduction from the Fiscal Year 2003 appropriation level.

#### **LAND GRANT COLLEGE PROGRAM**

Land grants are intended for the colleges of agriculture and mechanical arts eligible for federal funding support as provided by acts of Congress in 1899 and 1907. In accordance with Section 172.730, RSMo, distribution of the grant is made in the following manner: 1/16 of total to Lincoln University, 1/4 of total to the University of Missouri-Rolla, and the balance to the University of Missouri-Columbia.

##### **Fiscal Year 2004 Governor's Recommendations**

- (\$1) federal funds core reduction from the Fiscal Year 2003 appropriation level. The item is not in the federal budget, but will remain with the Challenge Grant program within the Department of Higher Education.

#### **ELECTED OFFICIALS TRANSITION**

The state provides operating costs for the transition into office of newly elected officials, including the Governor, Lieutenant Governor, Secretary of State, Auditor, Treasurer, and Attorney General.

##### **Fiscal Year 2004 Governor's Recommendations**

- (\$10,000) core reduction for one-time expenditures.

#### **SPECIAL ELECTION COSTS**

Section 115.077, RSMo, requires the state and political subdivisions submitting questions or candidates in a special election to deposit their proportional share of the costs with the election authority not later than the third Tuesday prior to the election. This appropriation allows the state to comply with the law by prepaying its share of the estimated expenses of a special election. The state is also required to reimburse local election authorities for certain other expenses attributable to changes in state law. Should a special election be called, expenditures made from this appropriation will be transferred to the state election subsidy fund for disbursement.

##### **Fiscal Year 2004 Governor's Recommendations**

- \$3,710,000 to conduct the 2004 Presidential Preference Primary.
- (\$1) core reduction from the Fiscal Year 2003 appropriation level.

### **DIVISION OF ACCOUNTING**

The Division of Accounting maintains all financial records for state appropriations and funds, processes payments, controls production of warrants, and distributes checks. The division also issues warrants to the State Treasurer for expenditures; maintains computerized accounting, payroll, and check writing systems; and administers the Social Security Act for the state and political subdivisions. The division also provides financial data to executive and legislative officials.

##### **Fiscal Year 2004 Governor's Recommendations**

- \$18,360 for pay plan.
- (\$315,880) and (11) staff core reductions from the Fiscal Year 2003 appropriation level.

## **OFFICE OF ADMINISTRATION**

### **DIVISION OF ACCOUNTING (Continued)**

#### **CONTRIBUTION TO OASDHI TAXES**

The state of Missouri pays the employer's share of federal Old Age and Survivors Disability and Health Insurance contributions on the salaries of all state employees, with the exception of employees of the state universities and four-year colleges. These funds are transferred to a contribution fund for matching payments to the Social Security Administration.

#### **Fiscal Year 2004 Governor's Recommendations**

- \$5,496,000 to fund contributions for state employees, including \$3,840,000 general revenue.
- (\$3,708,514) core reduction from the Fiscal Year 2003 appropriation level, including (\$3,085,399) general revenue.
- (\$352,486) transferred to the departments of Social Services and Economic Development for reinvestment of fringe savings due to staff reductions, including (\$46,601) general revenue.

#### **CONTRIBUTION TO MISSOURI STATE EMPLOYEES' RETIREMENT SYSTEM**

The state of Missouri provides a fully funded retirement program for employees through a contribution of a specified percentage of members' wages to the Missouri State Employees' Retirement System. Included in the state's contribution is a payment per month per eligible employee to the Missouri State Employees' Benefit Plan and a payment of long-term disability premiums.

#### **Fiscal Year 2004 Governor's Recommendation**

- \$15,675,000 for fund contributions for state employees, including \$10,160,000 general revenue.
- (\$7,015,050) core reduction from the Fiscal Year 2003 appropriation level, including (\$5,256,868) general revenue.
- (\$883,950) transferred to other state departments for reinvestment of fringe savings due to staff reductions, including (\$57,132) general revenue.

#### **MISSOURI CONSOLIDATED HEALTH CARE PLAN**

The Missouri Consolidated Health Care Plan administers health care benefits for state employees. In 1995, municipalities and other public entities were allowed to join the Missouri Consolidated Health Care Plan as well, building a larger pool of members and greater bargaining power for lower cost medical services.

#### **Fiscal Year 2004 Governor's Recommendations**

- \$24,571,176 to fund employee health care, including \$17,179,787 general revenue.
- (\$1,109,022) transferred to other state departments for reinvestment of fringe savings due to staff reductions, including (\$101,924) general revenue.

#### **TEACHER RETIREMENT CONTRIBUTIONS**

Section 104.342, RSMo, has been revised to provide that the Commissioner of Administration shall requisition monthly and certify the payment of contributions to the Public School Retirement System (PSRS). Authority to transfer and expend these monies is required to comply with statutory provisions. Certified teachers involved are employed by the Department of Elementary and Secondary Education and remain members of the PSRS.

#### **Fiscal Year 2004 Governor's Recommendations**

Continue funding at the current level.

## **OFFICE OF ADMINISTRATION**

### **DIVISION OF ACCOUNTING (Continued)**

#### **DEFERRED COMPENSATION PROGRAM**

The Missouri State Public Employees Deferred Compensation Commission, as established by Sections 105.900 to 105.925, RSMo, provides indirect compensation to state employees in the form of tax-deferred income. Section 105.927 allows the state to credit \$25.00 per month to qualified participants in the plan. The monies transferred must be paid to the various deferred compensation plans. Matching payments were made available as of January 1, 1996.

#### **Fiscal Year 2004 Governor's Recommendations**

- \$637,000 to fund match of employee contributions, including \$542,000 general revenue.
- (\$285,000) federal and other funds core reduction from the Fiscal Year 2003 appropriation level.

#### **DISBURSEMENT FOR UNEMPLOYMENT BENEFITS**

The state of Missouri, as a governmental entity, is required to pay contributions to the Division of Employment Security as specified by law so that unemployment claims may be paid to former employees. A governmental entity may elect to either pay contributions in advance based on a statutory formula or to reimburse the Division of Employment Security for actual claims paid out to former employees. The state of Missouri utilizes the reimbursement for actual claims paid option. By using this deferred method of payment and one central appropriation, the state simplifies the administration of unemployment benefits.

#### **Fiscal Year 2004 Governor's Recommendations**

- \$1,450,500 for reimbursement of unemployment claims, including \$628,500 general revenue.

#### **TAXES WITHHELD IN ERROR**

The Office of Administration's Division of Accounting is responsible for the withholding of federal, state, and local taxes from state employees' pay. This appropriation authority is required to refund to employees taxes withheld in error.

#### **Fiscal Year 2004 Governor's Recommendations**

Continue funding at the current level.

#### **VOLUNTARY LIFE INSURANCE**

State employees may opt to withhold funds for voluntary life insurance. This appropriation provides expenditure authority to distribute the monies withheld to the various life insurance companies as designated by the employees.

#### **Fiscal Year 2004 Governor's Recommendations**

- \$130,000 other funds to distribute life insurance premiums.

#### **HUMAN RESOURCES CONTINGENCY FUND TRANSFER**

This transfer section has been added to ensure that payroll checks submitted for payment against accounts with temporary allotment or fund cash flow problems can be generated within the time constraints of pay period processing.

#### **Fiscal Year 2004 Governor's Recommendations**

Continue funding at the current level.



## **OFFICE OF ADMINISTRATION**

### **DIVISION OF ACCOUNTING (Continued)**

#### **CAFETERIA PLAN TRANSFER**

The state offers a tax reduction plan for state employees. The federal government requires the state to provide a sufficient balance in the medical expenses category for timely reimbursements to plan participants.

#### **Fiscal Year 2004 Governor's Recommendations**

Continue funding at the current level.

#### **BOARD OF PUBLIC BUILDINGS DEBT SERVICE**

This appropriation is for payment of principal, interest, and reserve requirements on outstanding bonds.

#### **Fiscal Year 2004 Governor's Recommendations**

- \$954,300 for payment of debt service.
- \$1 on an open-ended basis for annual fees and expenses.
- \$1 on an open-ended basis to pay any required arbitrage rebate to the federal government.
- \$1 on an open-ended basis for costs associated with refunding an existing debt to save interest.
- \$1 on an open-ended basis for payment of debt service on tobacco bonds by the Board of Public Buildings.

#### **LEASE/PURCHASE DEBT SERVICE**

Beginning in Fiscal Year 2003, money was transferred from the Board of Public Buildings Debt Service to the Lease/Purchase appropriation in order to separate payments.

#### **Fiscal Year 2004 Governor's Recommendations**

- (\$11,490) core reduction from the Fiscal Year 2003 appropriation level.

#### **TOBACCO SETTLEMENT FINANCING AUTHORITY**

The Tobacco Settlement Financing Authority is charged with administering the securitization of a portion of Missouri's share of expected revenues from the master settlement agreement entered into with leading United States tobacco product manufacturers.

#### **Fiscal Year 2004 Governor's Recommendations**

- \$10,000 for annual fees and expenses.
- \$1 on an open-ended basis to pay any required arbitrage rebate to the federal government.
- \$1 on an open-ended basis for costs associated with refunding an existing debt to save interest.

#### **MISSOURI HEALTH AND EDUCATIONAL FACILITIES AUTHORITY DEBT SERVICE**

The Missouri Health and Educational Facilities Authority (MoHEFA) has issued \$39,999,569 in Series A 1989 Missouri College Savings Bonds to fund building projects at the University of Missouri.

#### **Fiscal Year 2004 Governor's Recommendations**

Continue funding at the current level.

## **OFFICE OF ADMINISTRATION**

### **DIVISION OF ACCOUNTING (Continued)**

#### **NEW JOBS TRAINING CERTIFICATES**

Sections 178.892 to 178.896, RSMo, established the New Jobs Training Program. Businesses establishing new jobs in the state can enter into an agreement with a community college district to provide training for new employees. The training is funded from the proceeds of new jobs training certificates issued by community college districts. The debt service on the certificates is payable from the employees' Missouri income tax withholding credits. If the business would sharply decrease or eliminate its operations, funds may not be available to meet debt service costs.

#### **Fiscal Year 2004 Governor's Recommendations**

Continue funding at the current level.

#### **CONVENTION AND SPORTS COMPLEX PROJECTS**

SB 295 (1989) authorized annual appropriations of state matching funds for convention and sports complex capital projects in certain cities and counties. Ongoing projects include: Jackson County Sports Complex Stadium, \$3,000,000; Bartle Hall, \$2,000,000; and Edward D. Jones Dome, \$12,000,000.

#### **Fiscal Year 2004 Governor's Recommendations**

Continue funding at the current level.

#### **CASH MANAGEMENT IMPROVEMENT ACT**

The federal Cash Management Improvement Act of 1990 and 1992 requires that the state pay interest on certain federal grant monies while deposited in the State Treasury. Interest is calculated and paid at the daily equivalent of the annualized 13-week average Treasury Bill Rate.

#### **Fiscal Year 2004 Governor's Recommendations**

- (\$1,300,000) core reduction from the Fiscal Year 2003 appropriation level.

#### **GOVERNMENTAL ACCOUNTING STANDARDS BOARD DUES**

The Governmental Accounting Standards Board (GASB) was organized in 1984 to establish financial reporting standards for activities and transactions of state and local governments. Each state is assessed dues for support of the organization.

#### **Fiscal Year 2004 Governor's Recommendations**

- (\$26,100) core reduction from the Fiscal Year 2003 appropriation level.

#### **CLAIMS AGAINST THE ESCHEATS FUND**

This fund provides for the disposition of unclaimed funds from estates. Funds unclaimed for 21 years are transferred to the public school fund. Monies in the fund are invested by the State Treasurer, and the interest earnings are transferred to the public school fund. Senate Bill 1248 (2002) eliminated the Escheats Fund as of January 1, 2003.

#### **Fiscal Year 2004 Governor's Recommendations**

- (\$250,000) other funds core reduction from the Fiscal Year 2003 appropriation level.

## **OFFICE OF ADMINISTRATION**

### **DIVISION OF ACCOUNTING (Continued)**

#### **ARTICLE X REFUND FINANCE**

Some state funds may be unable to support refunds to taxpayers under the provisions of Article X to the Missouri Constitution without endangering the programs for which they were established. This appropriation is intended to provide relief to those funds and programs.

##### **Fiscal Year 2004 Governor's Recommendations**

- (\$100,000) core reduction from the Fiscal Year 2003 appropriation level. There will be no refunds in Fiscal Year 2004.

#### **STATEWIDE OPERATIONAL MAINTENANCE AND REPAIR TRANSFER**

This section allows for the transfer of general revenue into departmental operating budgets for statewide maintenance and repair appropriations.

##### **Fiscal Year 2004 Governor's Recommendations**

- \$1,500,136 for increased transfer to the maintenance and repair reserve.

#### **MAXIMIZE REVENUES**

Contractors will help the state identify changes in federal laws or policies that will maximize federal reimbursements. They will also develop and help implement cost containment strategies. Pricing will be determined on a project-by-project basis.

##### **Fiscal Year 2004 Governor's Recommendations**

- \$1 on an open-ended basis.

#### **AUDIT RECOVERY DISTRIBUTION**

A mechanism to allow the distribution of a percentage of monies recovered by the state to the audit firm that recovers the money.

##### **Fiscal Year 2004 Governor's Recommendations**

- \$350,000 to more accurately reflect the expected level of recovery.

#### **BUDGET RESERVE INTEREST**

In the event that the general revenue fund borrows money from the budget reserve fund, general revenue must repay the loan with interest. This mechanism will allow that to happen.

##### **Fiscal Year 2004 Governor's Recommendations**

Continue funding at the current level.

#### **OTHER FUND CORRECTIONS**

A transfer section is needed as a mechanism by which corrections can be made when money is erroneously deposited into the wrong fund.

##### **Fiscal Year 2004 Governor's Recommendations**

Continue funding at the current level.

## **OFFICE OF ADMINISTRATION**

### **DIVISION OF BUDGET AND PLANNING**

The Division of Budget and Planning analyzes state government programs and provides recommendations and information to the Governor, General Assembly, and state agencies regarding fiscal and other policies. The division prepares the budget instructions, reviews all agency budget requests, makes funding recommendations to the Governor, prepares the annual executive budget, analyzes economic and demographic conditions, forecasts state revenues, and conducts technical policy and program analyses. To assist in state government management, the division controls appropriation allotments, prepares legislative fiscal notes, evaluates programs, analyzes and develops policy options, and coordinates programs among agencies. The division prepares population estimates and projections required by state and local agencies and is Missouri's liaison to the United States Bureau of the Census. The division operates the State of Missouri Washington, D.C. office. In addition, the division uses federal grant funds for applied research in policy areas of statewide concern.

#### **Fiscal Year 2004 Governor's Recommendations**

- \$2,448 for pay plan
- (\$9,305) core reduction from the Fiscal Year 2003 appropriation level.

### **DIVISION OF INFORMATION SERVICES**

The Division of Information Services provides centralized computer processing services through the State Data Center (SDC), reviews departmental data processing plans, and manages the state telephone network. The division also approves the acquisition and disposition of computer equipment, provides procurement assistance to other state agencies, and provides data processing training for state employees.

This section provides mainframe computer processing services to the Office of Administration; Secretary of State; Departments of Revenue, Mental Health, Natural Resources, Insurance, Economic Development, Transportation, and others. In addition, the consolidated SDC now provides services to the Departments of Social Services, Health, Labor and Industrial Relations, and the State Highway Patrol.

#### **Fiscal Year 2004 Governor's Recommendations**

- \$79,044 and three staff transferred from other Office of Administration divisions.
- \$9,965 for pay plan.
- (\$469,569) and (14) staff reduction from the Fiscal Year 2003 appropriation level.

### **DIVISION OF DESIGN AND CONSTRUCTION**

The division reviews plans and specifications for state construction, maintenance, and repair projects; selects contracting architects and engineers; oversees capital improvements expenditures; provides information for the preparation of the capital improvements budget; and assists state agencies and institutions with building and renovations problems.

#### **Fiscal Year 2004 Governor's Recommendations**

- \$3,960 for pay plan.
- (\$104,758) and (two) staff transferred to other Office of Administration divisions.
- (27) staff in core reductions from the Fiscal Year 2003 appropriation level.

### **DIVISION OF PERSONNEL**

The Division of Personnel provides central personnel management programs and services to all executive branch departments in compliance with the State Personnel Law and the principles of sound personnel management. Responsibilities include operation of the Missouri Merit System, position classification and compensation management, supervisory and management training, coordination of relations with employee unions, and providing personnel management expertise and other services to assist agencies.

## **OFFICE OF ADMINISTRATION**

### **DIVISION OF PERSONNEL (Continued)**

The Personnel Advisory Board sets rules and regulations for the Merit System, approves classifications and pay plans, conducts appeal hearings for applicants and employees, and advises the Division of Personnel and the Governor on personnel administration.

#### **Fiscal Year 2004 Governor's Recommendations**

- \$21,994 for pay plan.
- (\$8,120) transferred to the Commissioner's Office.
- (\$207,041) and (6.88) staff core reduction from the Fiscal Year 2003 appropriation level.

### **DIVISION OF PURCHASING AND MATERIALS MANAGEMENT**

The Division of Purchasing and Materials Management centralizes procurement to save money by purchasing supplies, materials, and services in larger quantities and encourages competitive bidding and awards on all contracts. All of state government is served except the University of Missouri, Lincoln University, Truman State University, Missouri Department of Transportation, Judiciary, Lottery, and the General Assembly. It encourages the participation of suppliers, including small disadvantaged businesses, in the competitive bid process and ensures compliance with Chapter 34, RSMo. The division also coordinates recycling collection efforts of state agencies and administers the Recycling Products Preference Program. The materials management section recycles property among agencies and sells surplus state equipment through negotiated, sealed bids and auction sales. Surplus property sales receipts are used to pay the expenses of surplus property sales with the remaining receipts distributed to the appropriate state funds from which the equipment was purchased.

#### **Fiscal Year 2004 Governor's Recommendations**

- \$18,972 for pay plan, including \$13,343 general revenue.
- (\$111,780) and (four) staff core reduction from the Fiscal Year 2003 appropriation level.

### **DIVISION OF FACILITIES MANAGEMENT**

The Division of Facilities Management operates, maintains, and manages state-owned office buildings and various other structures at the seat of government and other locations within the state.

#### **LEASED FACILITIES MANAGEMENT**

The Division is also responsible for all leased property acquired for use by selected agencies statewide. The division is the operating agent for the Office of Administration responsible for the acquisition of necessary space through the lease process. A competitive public bid process is used to acquire leased space.

#### **Fiscal Year 2004 Governor's Recommendations**

- \$63,326 for the general revenue transfer to the Office of Administration revolving administrative trust fund for state leasing administration expenses.

### **STATE OFFICE BUILDINGS GENERAL REVENUE TRANSFER**

This appropriation is recommended so that funds other than general revenue can be utilized for state office buildings. The same funds that support the activity of state employees in state office buildings are charged for the cost of operating and maintaining the offices. In this way, the amount of general revenue can be reduced and more appropriate funds can carry their share of the cost of these buildings. Through the transfer mechanism, general revenue will be transferred into the operating accounts as state facility maintenance and operation funds at the beginning of the fiscal year. Other state funds will then be transferred to general revenue as appropriate during the fiscal year to offset that share of the cost of office space used by staff paid by other funds.

## **OFFICE OF ADMINISTRATION**

### **DIVISION OF FACILITIES MANAGEMENT (Continued)**

#### **Fiscal Year 2004 Governor's Recommendations**

- \$694,573 for the general revenue transfer to the Office of Administration state facilities maintenance and operations fund for state building operations and seat of government expenses.
- \$100,000 other funds for the Second State Capitol Commission.
- \$258,637 transferred from the statewide leasing budget.
- (\$37,488) transferred to the Division of Information Services.
- (\$578,897) and (10.68) staff in core reductions from the Fiscal Year 2003 appropriation level, including (\$403,471) general revenue.

### **DIVISION OF GENERAL SERVICES**

The division provides agencies with a variety of services such as printing, administration of the legal expense fund and the state employee Workers' Compensation Program, a central vehicle maintenance facility, forms management, and flight operations. The Division of General Services also provides staff to administer activities of the Missouri Public Entity Risk Management Fund, a liability insurance pool for Missouri public entities.

#### **Fiscal Year 2004 Governor's Recommendations**

- \$1,000,000 for workers' compensation claims.
- \$500,000 other funds and two staff for the Head Injury Program.
- \$13,316 for pay plan.
- (\$246,136) and (6.5) staff in core reductions from the Fiscal Year 2003 appropriation level.
- (One) staff transferred to Information Systems.

### **ASSIGNED PROGRAMS**

#### **ADMINISTRATIVE HEARING COMMISSION**

The Administrative Hearing Commission conducts pre-hearing conferences and full evidentiary hearings throughout Missouri, making findings of fact and conclusions of law relative to appeals and complaints. The commission's jurisdiction includes appeals of decisions made by the professional licensing boards and taxpayers' appeals of decisions made by the Department of Revenue; the Division of Liquor Control; the Missouri Health Facilities Review Committee; the Personnel Advisory Board; and the Departments of Mental Health, Health, and Social Services.

#### **Fiscal Year 2004 Governor's Recommendations**

- \$101,137 and one staff to replace state highway department funds for a commissioner transferred from the Department of Economic Development.
- \$3,672 for pay plan.
- (\$1,500) core reduction from the Fiscal Year 2003 appropriation level.

#### **OFFICE OF CHILD WELFARE**

Pursuant to Executive Order 02-22 issued December 17, 2002, the Office of Child Welfare is charged with monitoring the child welfare system to ensure compliance with state and federal laws pertaining to children's services.

- \$406,468 and four staff transferred from the Department of Social Services, including \$272,334 general revenue.

## **OFFICE OF ADMINISTRATION**

### **ASSIGNED PROGRAMS (Continued)**

#### **CHILDREN'S TRUST FUND**

The Children's Trust Fund and Children's Trust Fund Board are established to facilitate and fund the development of community-based prevention programs to strengthen families and prevent child abuse and neglect, and to provide public education about the problem of child abuse and its prevention. The Children's Trust Fund Board has developed a long-range plan, which is reviewed annually. Activities of the Children's Trust Fund are divided into two broad areas: public education and program development and funding. Each includes an array of programs to meet the goals of the board.

#### **Fiscal Year 2004 Governor's Recommendations**

- \$918 other funds for pay plan.

#### **MISSOURI CHILDREN'S SERVICES COMMISSION**

The Missouri Children's Services Commission Fund was established to receive grants, gifts, bequests, and federal grants to support the activities of the Children's Services Commission in accordance with Sections 210.103, RSMo.

#### **Fiscal Year 2004 Governor's Recommendations**

Continue funding at the current level.

#### **MISSOURI ETHICS COMMISSION**

The Missouri Ethics Commission was established in accordance with the provisions in SB 262 (1991). The commission is composed of six members, not more than three from the same political party. The commission is responsible for receiving and maintaining lobbyist reports, personal financial disclosures, and election reports. It must investigate reports of campaign and ethical violations, develop ethical standards, and make determinations of allegations of ethical violations.

#### **Fiscal Year 2004 Governor's Recommendations**

- \$4,284 for pay plan.

#### **OFFICE OF INFORMATION TECHNOLOGY**

The Office of Information Technology was established July 1, 1995, in response to a recommendation of the Commission on Management and Productivity for statewide control and planning relating to information technology in Missouri state government. The office's objectives include: implementing an information technology strategic planning process that supports agency-specific strategic planning; directing the statewide adoption of policy, procedures, and standards relating to information technology; and reviewing agency technology budgets.

#### **Fiscal Year 2004 Governor's Recommendations**

- \$14,737,426 federal and other funds and four staff to provide authority to implement federally funded programs.
- \$214,701 federal funds and three staff to establish a state information security office.
- (\$8,661,538) federal funds for one-time expenditures.